

STATE OF WASHINGTON



OFFICE OF
INSURANCE COMMISSIONER

<i>In the Matter of</i>)	
)	No. G 2000 - 11
)	
The Market Conduct Examination)	FINDINGS, CONCLUSIONS, AND
of Alexander Hamilton Life Insurance)	ORDER ADOPTING REPORT
Company of America.)	
)	

BACKGROUND

An examination of the market conduct of Alexander Hamilton Life Insurance Company of America (the Company) for the period January 1, 1992, to December 31, 1996, was conducted by market conduct examiners of the Washington State Office of the Insurance Commissioner. The Company is an insurer authorized under RCW 48.05.030. This examination was conducted in compliance with the laws and regulations of the State of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the Office of the Insurance Commissioner. This examination was limited to marketing and sales practices, complaints, agent licensing and replacement activity.

The examination report with the findings and recommendations was transmitted to the Company for their comments on January 13, 2000. Response to the draft report was received on February 14, 2000.

The Commissioner or a designee has considered the report, the relevant portions of the examiner workpapers, and the submission by the Company. The report was modified to reflect new information provided by the company in their response to the draft report.

Subject to the right of the Company to demand a hearing pursuant to chapters 48.04 and 34.05 RCW, the Commissioner adopts the following findings, conclusions, and order.

FINDINGS

The Commissioner adopts as findings the findings of the examiners as contained in the report.

CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the market conduct of the Company.

ORDER

The examination report as filed, attached hereto and incorporated by reference, is hereby **ADOPTED** as the final examination report.

It is **ORDERED** that the Company comply with the Instructions in the Report as follows (the page and other references are to the report):

1. The company is instructed to send to each existing insurer a timely written communication advising of the replacement or proposed replacement. This written communication shall be in accordance with WAC 284-23-455(2)(b) and shall be retained in the policy files. *(See appendix 1).*
2. The company is instructed to require a statement signed by the agent or broker as to whether he or she knows replacement is or may be involved in a transaction. The company is instructed to obtain a proper statement for each application as required by WAC 284-23-455(1). *(See appendix 2).*
3. The company is instructed to review each application for accuracy and completion of each question pertaining to replacement in accordance with WAC 284-23-440. *(See appendix 3).*
4. The company is instructed to obtain a copy of the notice required by WAC 284-23-455 (2)(a) from the agent for every replacement and retain it in their files. *(See appendix 3).*
5. The company is instructed to comply with RCW 48.17.160(1) and (2) and ensure that all agents and brokers are properly licensed and appointed in the state prior to soliciting on behalf of the Company. *(See appendix 4 and appendix 5).*
6. The company is instructed to comply with RCW 48.17.455(3), which requires that the replacing insurer maintain for three years evidence of the "Notice Regarding Replacement," the policy summary, the contract summary and any ledger statements

used, and a replacement register, cross indexed by replacing agent and existing insurer.
(See page 15)

ENTERED at Lacey, Washington, this 24th day of February, 2000.

DEBORAH SENN

Insurance Commissioner

By:

WILLIAM E. FRANSEN

Deputy Commissioner